



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101

DAVID E. JANSSEN  
Chief Administrative Officer

June 25, 2001

To: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: David E. Janssen  
Chief Administrative Officer

Board of Supervisors

GLORIA MOLINA  
First District

YVONNE BRATHWAITE BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**PRELIMINARY REPORT - COMMERCE COMMUNITY DEVELOPMENT COMMISSION -  
FIRST AMENDMENT TO THE COMMERCE REDEVELOPMENT PROJECT NO. 4 (FIRST  
DISTRICT)**

On February 4, 1997, the Board instructed my office to prepare a report on each newly proposed redevelopment project area at the preliminary draft plan phase. In a memorandum dated February 11, 1997, we advised the Board of the types of notification the County receives on new redevelopment projects and the reports which will be provided to the Board. Consistent with that process, we are advising the Board that the Commerce Community Development Commission has sent us the Preliminary Report for the proposed First Amendment to the Redevelopment Project Area No. 4. The Preliminary Report includes the following information:

- Map of Added Area (Attachment I)
- Project Area Description - physical/economic conditions of blight (Attachment II)
- List of Planned Projects (Attachment III)
- Impact on County General Fund (Attachment IV)

The proposed Amendment adds two areas approximately 86.4 acres to the existing Commerce Redevelopment Project No. 4, which consists of 1,420 acres. The two areas are referred to as Subarea A and Subarea B. Subarea A is approximately 46.4 acres and is bounded by Grace Street on the north, Goodrich Boulevard on the west, the Union Pacific Railroad right-of-way on the south, and East Los Angeles County on the east. Subarea B is approximately 40 acres, triangularly-shaped, and bounded by the Los Angeles and Salt Lake Railroad on the south, the Santa Ana Freeway (I-5) on the north, and Bristow Park and the Kirby Center on the West.

Each Supervisor  
June 25, 2001  
Page 2

The information on the project area and the physical and economic conditions of blight (Attachment II) was extracted from the Agency's Preliminary Report. This office conducted an initial review of the Agency's Preliminary Report, including several site visits, to investigate if the proposed added areas reflected blighting conditions generally consistent with legal criteria. Based on this initial review, this office does not believe the proposed added areas as a whole meet blighting conditions required under Community Redevelopment Law (CRL).

On May 23 and June 4, 2001, CAO staff met with City of Commerce staff to discuss our concerns regarding their proposed Amendment. Based on these meetings, the City of Commerce expressed their willingness to revise the proposed Amendment based on our concerns and conveyed they would not adopt the Amendment in its current form as noticed at the scheduled July 3 public hearing. As we understand to date, the City of Commerce intends to proceed with the July 3, 2001 public hearing where they will recommend continuance of the proposed Amendment based on our concerns. This would be expected to lead to a revised proposed Amendment consistent with redevelopment law.

CAO staff will report back to the Board with information on the revised Amendment once our office receives it.

If you have any questions regarding this information, please call me, or your staff may call Jerry Ramirez of my office at (213) 974-4282.

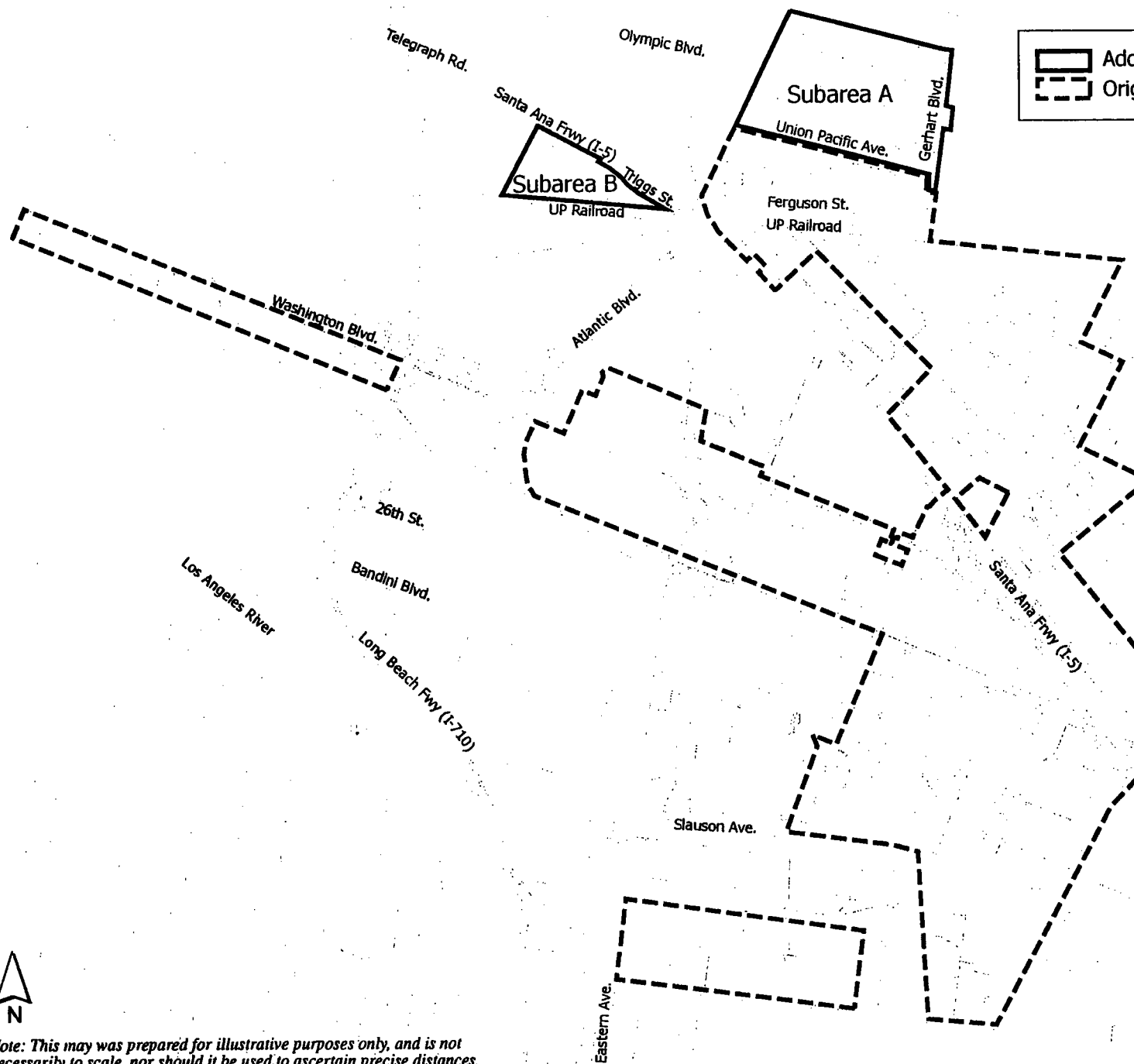
DEJ:LS  
MKZ:JR:nl

#### Attachments

c:     Executive Officer, Board of Supervisors  
        County Counsel  
        Auditor-Controller

# MAP

AD



*Note: This map was prepared for illustrative purposes only, and is not necessarily to scale, nor should it be used to ascertain precise distances.*

**PROJECT AREA DESCRIPTION**  
**PHYSICAL AND ECONOMIC CONDITIONS OF BLIGHT**  
(From Agency's Preliminary Report)

**Physical Blighting Conditions:**

The following summarizes the physical conditions as described for the Project Area:

- 31% of all structures in Added Area are in need of maintenance and approximately 14% are either deteriorated and dilapidated.
- A total of 19 (23%) properties were in violation of Building or Zoning Code.
- 13 buildings totaling 1,906,066 square feet require seismic upgrades.

**Economic Conditions of Blight:**

The following is a brief summary of the economic conditions of blight that exist in the Added Area:

- Average lease rates for industrial buildings in the Added Area is \$0.29 per square foot.
- In 1999 there were 193 instances of crime in the Added Area, of which 122 (63%) were property related.

## LIST OF PLANNED PROJECTS

### Estimated Project Costs

Item or Program	Amount
Debt Service	\$77,145,000
Affordable Housing	\$43,359,000
Administration	\$27,126,000
Initial Project Costs	\$26,200,000
Discretionary Projects and Programs:	
Economic Development	\$10,984,000
Commercial/Industrial Improvements	\$4,119,000
Public Facilities	\$12,357,000
<b>TOTAL ESTIMATED COSTS</b>	<b>\$201,291,000*</b>

\* Total as reflected in Agency's Preliminary Report; variance may be due to rounding.

## **IMPACT ON COUNTY GENERAL FUND**

### **Limits of Plan**

- **Incurring Debt: 20 years**
- **Redevelopment Activities: 30 years**
- **Collection of Tax Increment: 45 years**

### **Estimated Project Revenue**

- **Assumed Annual Real Property Growth Rate: 3%**
- **Base Year Assessed Valuation: \$168,282,732**
- **Gross Estimated Increment (45 year increment collection): \$62,335,480**
- **Housing Set-Aside: \$12,467,096**
- **County General Fund Revenue With New Project: \$10,316,346**
- **County General Fund Revenue With No Project: \$14,454,467**
- **Net Change to County General Fund: (\$4,138,121)**